

Message Text

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65

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 AGR-05 PA-01 PRS-01 IO-10 /095 W

----- 114072

R 231500Z OCT 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 8667

INFO AMEMBASSY CARACAS

AMEMBASSY MEXICO

AMEMBASSY QUITO

LIMITED OFFICIAL USE GUATEMALA 5877

EO 11652: NA

TAGS: ECIN, PFOR, GT

SUBJ: PRESS COVERAGE OF SELA

REF: A. STATE 250534

B. STATE 248620

C. STATE 247655

SUMMARY: SELA GIVEN FAVORABLE TREATMENT BY LOCAL PRESS IN GENERALLY UNEMOTIONAL ARTICLES. HOWEVER, SEVERAL ARTICLES STRESSED THAT LA ECONOMIC BLOC COULD NOW STAND UP TO THE US. MIN OF ECONOMY ASSERTED THAT SELA SUPPORTED BANANA UNION (UPEB) AND THAT MEXICO AND ECUADOR AGREED WITH GOG PLANS TO RENEGOTIATE BANANA CONTRACTS. SOME UNOFFICIAL FEARS THAT SMALL LA COUNTRIES WILL NOT BENEFIT FROM SELA AS MUCH AS MEXICO AND VENEZUELA. END SUMMARY.

1. IN GENERAL, LOCAL PRESS GAVE FOUNDING MEETING OF SELA STRAIGHTFORWARD, UNEMOTIONAL TREATMENT POINTING OUT THAT SELA SHOULD PROMOTE CA INTEGRATION AND THAT SELECTION
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OF GUATEMALAN MINISTER OF ECONOMY, PALOMO ESCOBAR, AS RAP-

PORTEUR WAS A GREAT HONOR. HOWEVER, SEVERAL ARTICLES STRESSED THE IMPORTANCE OF SELA AS AN ECONOMIC BLOC CAPABLE OF STANDING UP THE US AND TO THE EC. ONE ARTICLE IN OCT 19 LA NACION HEADLINED PASSAGE OF PALOMO'S LENGTHY CLOSING SPEECH IN WHICH HE SAID SELA WAS BEING FOUNDED AT AN OPPORTUNE TIME WITH THE IMMEDIATE FUTURE BRINGING AN "INTENSE PERIOD OF NEGOTIATIONS-AND SOMETIMES OF CONFRONTATION-ALL WITH THE OBJECTIVE OF BUILDING A NEW INTERNATIONAL ECONOMIC ORDER." LOWM IN OCT 18 EDITORIAL, RESPECTED EL GRAFICO EXPLAINED THAT OBVIOUS FORCE BINDING ALL UNDERDEVELOPED COUNTRIES OF HEMISPHERE WAS DESIRE TO PRESENT UNIFIED AND COHERENT POSTURE TO THE US. "THE ENTREPRENEURIAL CAPACITY OF THE US, ITS CONTROL OF FINANCIAL AND TRANSPORT MECHANISMS, ITS POLITICAL WEIGHT, MAKE A DIALOGUE IN EQUITABLE TERMS ALMOST IMPOSSIBLE." EDITORIAL CONTINUED THAT US HAD ALWAYS BEEN ABLE TO DIVIDE AND CONQUER ITS LATIN NEIGHBORS; THE FORMATION OF SELA INITIATES A NEW STAGE IN US-LA RELATIONS.

3. UPON RETURNING TO GUATEMALA, PALOMO TOLD THE PRESS THAT GUATEMALA STOOD TO BENEFIT FROM SELA IN SEVERAL WAYS. COMMITTEE WOULD BE FORMED TO STUDY INDUSTRIAL PROJECTS PROPOSED BY SEVERAL COUNTRIES. ALSO, HE ASSERTED THAT SELA WOULD SUPPORT THE UNION OF COUNTRIES EXPORTING BANANAS. SPECIFICALLY, MEXICO AND ECUADOR STRONGLY AGREED WITH THE NEED TO REVISE THE BANANA CONTRACTS AND PALOMO EVEN THOUGHT IT WAS PROBABLE THAT MEXICO WOULD JOIN UPEB. HIS STATEMENT THAT THIS DESTROYED THE BANANA COMPANIES' THREATS THAT THEY WOULD MOVE TO MEXICO AND BE WELCOMED "WITH OPEN ARMS", SEEMED DIRECTED AT CONGRESS WHICH HAS SENT THE BILL TO TAX BANANA EXPORTS BACK INTO COMMITTEE. UNTIL CONGRESS ACTS MORE POSITIVELY, THE EXECUTIVE WILL NOT PRESENT THE UPEB TREATY FOR RATIFICATION, WHICH REQUIRES A TWO-THIRDS VOTE.

4. THE BANK OF GUATEMALA OFFICIAL RESPONSIBLE FOR INTEGRATION ADMITTED TO THE REPORTING OFFICER THAT NEITHER THE MEMBERSHIP QUOTAS FOR SELA NOR THE REGULATIONS HAD BEEN AGREED UPON. HE FOUND VENEZUELA'S AND MEXICO'S HASTE UNSEEMLY AND ASSUMES THAT THEY EXPECT TO REAP ECONOMIC AND POLITICAL PROFIT FROM SELA.

MELOY

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Film Number: D750369-1031
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